

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. : No. 12 Civ. 6421 (KMK)(JCM)

EDWARD BRONSON and
E-LIONHEART ASSOCIATES, LLC,
d/b/a FAIRHILLS CAPITAL,

Defendants

and

FAIRHILLS CAPITAL, INC.,

Relief Defendant.

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DECLARATION OF DOREEN RODRIGUEZ

DOREEN RODRIGUEZ, hereby declares the following to be true and correct:

1. I am employed as a staff accountant by the United States Securities and Exchange Commission (“SEC”) in its New York Regional Office. I have been employed with the SEC’s Division of Enforcement since 1995. I received a Bachelor’s Degree in accounting from St. John’s University in 1995, and a Master’s Degree in Business from St. John’s University in 1998. I am over 21 years of age. I make this declaration in support of the SEC’s Motion for Summary Judgment Against Defendant and Relief Defendants in this case.

2. My official duties with the Division of Enforcement include participating in fact-finding inquiries and investigations to determine whether the federal securities laws have been, are presently, or are about to be violated, and assisting in the SEC’s litigation of violations of the securities laws.

3. I have been asked by SEC counsel to review and summarize voluminous records regarding the securities purchased and sold by Defendants Edward Bronson and E-Lionheart Associates, LLC (“E-Lionheart”) (collectively “Defendants”). I have prepared a summary spreadsheet involving 63 companies (“the Issuers”) that issued securities to E-Lionheart, which E-Lionheart subsequently re-sold. For each Issuer, this spreadsheet reflects: (i) the name of the Issuer and its ticker symbol; (ii) the period in which E-Lionheart acquired securities of the Issuer; (iii) the time period in which E-Lionheart re-sold those securities; (iv) the number of tranches of securities that E-Lionheart purchased; (v) the number of transactions in which E-Lionheart resold the acquired securities; (vi) the number of securities purchased and resold; (vii) the amount paid to the Issuer for the securities; (viii) E-Lionheart’s gross sale proceeds; (ix) E-Lionheart’s net profit; and (x) E-Lionheart’s percentage gain. A copy of this spreadsheet is attached hereto as Exhibit 1.

4. In preparing this spreadsheet, I reviewed E-Lionheart’s brokerage statements from UMB Investment Services Group. These account statements cover the time period August 2009 – June 2012, and reflect the securities purchased and sold by E-Lionheart and the prices received by E-Lionheart for those securities. I also reviewed, for each Issuer, the following four pieces of evidence for each transaction – (i) Subscription Agreements, which contain evidence of the amount of securities E-Lionheart agreed to purchase from the Issuers and at what price; (ii) Instruction Letters from the Issuers to transfer agents, which contain evidence regarding the amount of securities E-Lionheart purchased from the Issuers; (iii) Investor Grids, which contain evidence of the amount of securities E-Lionheart purchased from the Issuers, the amount E-Lionheart paid for the securities, and where the securities were sent to E-Lionheart; and (iv) Disbursement Requests, which reflect monies paid by E-Lionheart to the Issuers. As the UMB

Investment Services Group brokerage records and complete transaction documents for the 353 tranches of securities that E-Lionheart purchased from the 63 Issuers are voluminous, I have not included them as exhibits to this Declaration, but the SEC will make them available to the Court upon request.

5. I also attach in Exhibits 3 and 4, an individual spreadsheet for each Issuer that sets forth the information broken down for each tranche of securities that E-Lionheart purchased from that Issuer. One of the 63 Issuers whose information is summarized in Exhibit 1 is Cannon Exploration Inc. (“Cannon”). I have included in this paragraph the Summary Chart for Cannon, which breaks out the relevant information for each of the eleven tranches of securities E-Lionheart purchased from it. By way of example, the chart shows that, for Tranche 1, a Subscription Agreement between E-Lionheart and Cannon was executed on August 5, 2010 pursuant to which E-Lionheart agreed to pay \$37,500.00 for 39,473,685 shares of Cannon stock. The chart further reflects that E-Lionheart received the shares in its brokerage account on August 6, 2010, and sold all 39,473,685 shares on August 12, 2010 for \$58,734.50. The chart shows that, in total, E-Lionheart acquired a total of 2,896,238,962 shares of Cannon stock in 11 tranches, and obtained a net profit of \$744,956.83 for the resale of those shares.

Tranche	Date of Subscription Agreement	Shares To Be Issued Per Subscription Agreement	Date of Receipt at UMB Brokerage	Shares Received UMB Brokerage Account	Date of Sale from UMB Brokerage Account	Shares Sold UMB Brokerage Account	Amount Paid to Issuer Per Subscription Agreement	Sale Proceeds	Running Share Balance
1	8/5/2010	39,473,685	8/6/2010	39,473,685	8/12/2010	39,473,685	\$37,500.00	\$58,734.50	-
2	8/13/2010	74,385,965	8/16/2010	74,385,965	8/20/2010	10,000,000	\$53,000.00	\$14,733.91	64,385,965
					8/23/2010	14,000,000		\$17,925.13	50,385,965
					8/25/2010	14,000,000		\$14,815.39	36,385,965
					8/26/2010	22,385,965		\$25,036.02	14,000,000
					8/26/2010	14,000,000		\$17,477.00	-
3	8/23/2010	91,379,311	8/30/2010	91,379,311	8/30/2010	41,379,311	\$53,000.00	\$45,274.39	50,000,000
					9/1/2010	50,000,000		\$83,854.28	-
4	8/26/2010	106,000,000	9/2/2010	106,000,000	9/2/2010	14,000,000	\$53,000.00	\$15,996.82	92,000,000
					9/3/2010	40,000,000		\$41,359.70	52,000,000
					9/7/2010	22,500,000		\$22,108.14	29,500,000
					9/8/2010	29,500,000		\$20,029.97	-
5	9/9/2010	176,666,667	9/14/2010	120,000,000	9/17/2010	20,000,000	\$53,000.00	\$15,597.72	100,000,000
					9/20/2010	30,000,000		\$22,260.61	70,000,000
					9/21/2010	30,000,000		\$22,115.61	40,000,000
					9/22/2010	30,000,000		\$21,358.83	66,666,667
					9/23/2010	30,000,000		\$21,038.74	36,666,667
6	9/22/2010	350,000,000	9/23/2010	150,000,000	9/28/2010	74,621,200	\$75,000.00	\$85,553.92	112,045,467
					9/29/2010	75,000,000		\$60,526.94	37,045,467
					9/29/2010	36,666,667		\$24,753.74	378,800
					9/30/2010	150,000,000		\$29,552.52	112,294,650
					10/4/2010	50,000,000		\$49,978.12	87,294,650
					10/5/2010	37,294,650		\$22,898.68	50,000,000
7	10/4/2010	375,000,000	10/5/2010	150,000,000	10/6/2010	75,000,000	\$75,000.00	\$50,850.90	125,000,000
					10/8/2010	75,000,000		\$44,085.23	50,000,000
					10/8/2010	150,000,000		\$88,835.20	34,981,785
					10/14/2010	75,000,000		\$22,600.40	59,981,785
					10/18/2010	59,981,785		\$23,272.32	-
8	10/13/2010	265,000,000	10/18/2010	150,000,000			\$53,000.00		150,000,000
					10/21/2010	20,000,000			
					10/21/2010	160,000,000		\$53,698.78	10,000,000
					10/21/2010	6,593,046		\$1,918.53	3,406,954
					10/22/2010	95,000,000		\$20,874.28	26,672,135
					10/25/2010	71,734,819		\$7,761.39	-
					10/25/2010	26,672,135			
9	10/25/2010	458,333,334	10/29/2010	150,000,000	11/1/2010	30,000,000	\$55,000.00	\$11,639.69	120,000,000
					11/2/2010	120,000,000		\$56,452.50	150,000,000
					11/3/2010	150,000,000		\$44,376.32	-
					11/4/2010	158,333,334		\$31,032.52	-
10	12/9/2010	400,000,000	12/15/2010	400,000,000	12/22/2010	75,000,000	\$24,000.00	\$7,349.87	325,000,000
					12/22/2010	50,000,000		\$4,899.91	275,000,000
					12/23/2010	75,000,000		\$7,349.87	200,000,000
					12/27/2010	100,000,000		\$9,799.74	100,000,000
					12/28/2010	100,000,000		\$9,799.83	-
11	12/22/2010	560,000,000	12/28/2010	560,000,000	12/30/2010	100,000,000	\$28,000.00	\$9,799.74	460,000,000
					12/31/2010	100,000,000		\$9,799.74	360,000,000
					1/3/2011	100,000,000		\$9,799.83	260,000,000
					1/4/2011	130,000,000		\$12,739.78	130,000,000
					1/12/2011	130,000,000		\$12,739.78	-
							2,896,238,962	\$559,500.00	\$1,304,456.83
Net Profit \$1,304,456.83 - \$559,500.00 = \$744,956.83									

As an example of how I arrived at the information contained in the summary charts for each Issuer, I have attached as Exhibit 2 the documents that I relied in arriving at the information set forth with respect to Tranche 1 for Cannon. Exhibit 2 contains the Subscription Agreement

(which states on page 1 the amount of stock to be issued and the amount to be paid by E-Lionheart), the Instruction Letter from Cannon to its transfer agent (which states the amount of stock issued), the Investor Grid (which reflects the amount of stock issued and the amount paid by E-Lionheart), the Disbursement Request (which reflects the amount paid by E-Lionheart), and the August 2010 brokerage statement from UMB Investment Services Group that shows, on pages 7 and 10 of the account statement, highlighted in brackets, the amount of shares E-Lionheart received from Cannon and the date and price at which it sold them.

6. Attached hereto as Exhibits 3 and 4 are individual charts for each of the 63 Issuers (in alphabetical order) reflecting the trading that took place in E-Lionheart's brokerage account.¹

7. As reflected in Exhibit 1, I have calculated E-Lionheart's net profits from the resales of the shares of stock from the 63 Issuers as \$9,632,646.93. Exhibit 1 accurately reflects the amounts of stock obtained and resold by E-Lionheart, as reflected in both the relevant

¹ The 63 Issuers are: Actionview International, Inc.; American Diversified Holdings Corp.; Atlantis Internet Group Corp.; Aquagold International, Inc.; Bebida Beverage Company; Bederra Corp.; Biomagnetics Diagnostics Corp.; Bravada International Ltd. f/k/a Muscle Flex, Inc.; Brownstone Resources, Inc.; Caribbean Casino Gaming; Cannon Exploration, Inc.; Cloud Centric Systems, Inc.; Delivery Technology Solutions, Inc.; Eline Entertainment Group, Inc.; Energy 1 Corp.; Efuel EFN Corp.; Eyecity.com, Inc.; Global Gateway Media & Communications f/k/a Zcom Networks, Inc.; GOIP Global, Inc.; Green Globe International, Inc.; Hackett's Stores, Inc.; Hall of Fame Beverages, Inc.; Hard to Treat Diseases, Inc.; Hawaiian Hospitality Group, Inc.; Hi Score Corp.; Hiru Corp.; ICBS Ltd.; Infinite Technology Group; Imageexpress Corp.; Infinix Corp; Infinity Medical Group, Inc.; International Power Group; Internet Array, Inc. (collectively, Exhibit 3); King Resources, Inc.; Lecere Corp.; Lifeline Biotechnologies, Inc.; Ligatt Security International, Inc.; Magellan Energy Ltd.; Mobile Media Unlimited Holdings, Inc.; Mundus Group, Inc.; Nexhorizon Communications, Inc.; NW Tech Capital, Inc.; PGI Energy, Inc. f/k/a Tensas, Inc.; Quasar Aerospace Industries, Inc.; Russel Industries, Inc.; Sierra Gold Corp.; Signature Devices, Inc.; Solarbrook Water & Power Corp.; Spoofem.com USA; Stratton Holdings, Inc.; Sunrise Consulting Group, Inc.; Skybridge Technology Group, Inc.; Syndication Inc.; Tesoro Enterprises Inc.; Thresher Industries, Inc.; Titan Resources International Group, Inc.; Title Consulting Services, Inc.; Tytan Holdings, Inc.; US Wireless Online, Inc.; VideolocityInternational, Inc.; Winning Brands Corp.; Wisebuys, Inc.; and Zippi Networks, Inc. (collectively, Exhibit 4).

transaction documents between E-Lionheart and the Issuers and E-Lionheart's brokerage records.

8. The \$9,632,646.93 net profit calculation, if anything, understates E-Lionheart's profits, as there were small amounts of stock of certain of the issuers that were transferred out of the brokerage account such that I could not determine when and how they were subsequently disposed of.

9. I have been asked to calculate pre-judgement interest for disgorgement regarding the E-Lionheart transactions for the 61 Issuers on which Defendants made a profit. I conservatively used the last trade (sale) date for each Issuer as the starting point for the calculation of pre-judgment interest, and June 1, 2016 as an end point for the calculation. Based on Defendants' net profits of \$9,632,646.93, pre-judgment interest comes to \$1,761,541.14.

Attached hereto as Exhibit 5 are the pre-judgment interest calculations for each of the 61 Issuers.

10. I have also reviewed Exhibit 46 to the Deposition of Mark Grober, a document entitled "Monthly Tab." That document indicates that, during the period June through October 2009, an individual identified as "Mike" invested cash or reinvested in the following identified tranches: EVFL, RIND, EVFL 2, BWNR 2, QASP, BWNR 3, EFLN, GOIG, ICBT, NXHZ, QASP 2, RIND 2, SCGP 2, ICBT 2, ICBT 3, ICBT 4, ICTY, IMGR, IPWG, LLBO, MFLI, QASP 3, RIND 3, SGCP 3, STHG, THRR 2, THRR 3 and ZCNW 3. Attached hereto as Exhibit 6 are the relevant excerpts from Exhibit 46 to the Deposition of Mark Grober (hereinafter "Exhibit 6") reflecting investments by Mike and the other individuals referenced below.

11. Exhibit 6 also indicates that, during the period October through December 2009, an individual identified as "Keith" invested cash or reinvested in the following identified tranches: LLBO and LLBO 2, and SCGP 6.

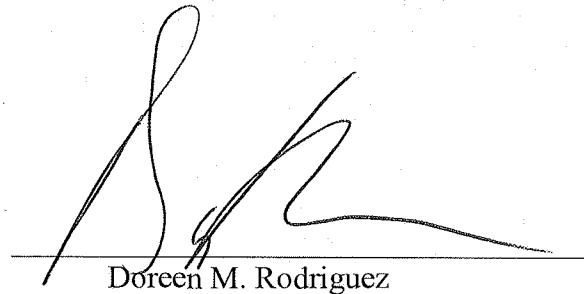
12. Exhibit 6 also indicates that, during the period August 2009 through October 2010, an individual identified as "Mark" invested cash or reinvested in the following identified tranches: AQUI, AQUI 2, BBDA 3, BEDA, BWRN 3, CGAQ, CLDR, CNEX 3, CNEX 4, CNEX 6, CNEX 8, CNEX 9, DTSL, EFLN, EGOC 2, GGII, GGII 10, GGII 11, GGII 12, GGII 2, GOIG, GOIG 1, GOIG 5, GOIG 6, GOIG 9, GOIG 11, GOIG 12, HCKI, HFBG 2, HSCO 3, ICBT, ICBT 2, ICBT 3, ICBT 4, ICBT 5, ICBT 9, ICBT 10, ICTY, ICTY 2, IMGR, IMJX, IMJX 2, IMJX 3, INAR, IPWG, IPWG 10, IPWG 11, IPWG 12, IPWG 2, IPWG 4, IPWG 7, IPWG 8, ITCJ, LCRE 5, LCRE 7, LGTT 4, LLBO, MFLI, MMUH, MNDP, MNDP 4, NWTT, NXHZ, QASP 2, QASP 3, RIND 2, RIND 3, RIND 4, RIND 5, RIND 6, RIND 7, SGCP, SGCP 10, SGCP 11, SGCP 13, SGCP 15, SGCP 19, SGCP 2, SGCP 3, SGCP 5, SGCP 7 SKGO, STHG, STHG 2, THRR, THRR 2, WNBD 2, ZCNW, ZCNW 3, ZIPZ 3, ZIPZ 4, ZIPZ 4(2), ZIPZ 7, ZIPZ 7 (1).

13. Exhibit 6 also indicates that, during the period September 2009 through October 2010, an individual identified as "Evan" invested cash or reinvested in the following identified tranches: BBDA 3, BEDA, BWRN 3, CGAQ, CLDR, CNEX 3, CNEX 4, CNEX 6, CNEX 8, CNEX 9, DTSL, EGOC 2, GGII, GGII 10, GGII 11, GGII 12, GGII 2, GOIG, GOIG (1), GOIG 11, GOIG 12, GOIG 5, GOIG 6, GOIG 9, HCKI, HFBG 2, HSCO 3, ICBT 10, ICBT 2, ICBT 5, ICBT 9, IMGR, IMJX 3, IPWG 10, IPWG 11, IPWG 12, IPWG 4, IPWG 7, IPWG 8, ITCJ, LCRE 5, LCRE 7, LGTT 4, LLBO, MMUH, MNDP, MNDP 4, NWTT, NXHZ, QASP 3, RIND 3, RIND 4, RIND 5, RIND 6, RIND 7, SGCP 10, SGCP 11, SGCP 13, SGCP 15, SGCP 19, SGCP 3, SGCP 5, SGCP 7, SKGO, STHG 2, THRR 2, WNBD 2, ZCNW 3, ZIPZ 3, ZIPZ 4, ZIPZ 4(2), ZIPZ 7, ZIPZ 7 (1).

14. Because Exhibit 6 is difficult to read given that I had to reduce the size of the spreadsheet to include the relevant information on each page, and for ease of reference, I have created a separate summary chart for each of these individuals that excerpts from Exhibit 6 the relevant data pertaining to each individual's cash investments and reinvestments for the relevant tranches. The summary charts are attached hereto as Exhibit 7 for "Mike"; Exhibit 8 for "Keith"; Exhibit 9 for "Mark" and Exhibit 10 for "Evan." I did not include in my above summaries references to cash investments and reinvestments that these individuals made in companies whose ticker symbols do not correspond to the ticker symbols for the Issuers involved in this case.

I, Doreen M. Rodriguez, declare under penalty of perjury that the foregoing is true and correct.

Dated: June 9, 2016
New York, NY



Doreen M. Rodriguez